



Urban Land
Institute

Washington



Technical Assistance Panel Report

Harvesting the Value of Metrorail in Loudoun County, Virginia

Sponsored by:
Loudoun County

May 7-8, 2014

Harvesting the Value of Metrorail in Loudoun County, Virginia

Loudoun County, Virginia

Sponsored by:
Loudoun County

May 7-8, 2014
Technical Assistance Panel Report

ULI Washington
4909 Cordell Avenue
2nd Floor
Bethesda, MD 20814
(240) 497-1919
Fax: (240) 497-1818
www.washington.uli.org

About ULI Washington

A District Council of the Urban Land Institute

ULI Washington is a district council of the Urban Land Institute (ULI), a nonprofit education and research organization supported by its members. Founded in 1936, the Institute today has over 30,000 members worldwide representing the entire spectrum of land use planning and real estate development disciplines working in private enterprise and public service. As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers dedicated to creating better communities.

ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Washington carries out the ULI mission locally by sharing best practices, building consensus, and advancing solutions through educational programs and community outreach initiatives.

About the Technical Assistance Panel (TAP) Program

The objective of ULI Washington's Technical Assistance Panel (TAP) program is to provide expert, multidisciplinary advice on land use and real estate issues facing public agencies and nonprofit organizations in the Metropolitan Washington Region. Drawing from its extensive membership base, ULI Washington conducts one and one-half day panels offering objective and responsible advice to local decision-makers on a wide variety of land use and real estate issues, ranging from site-specific projects to public policy questions. The TAP program is intentionally flexible to provide a customized approach to specific land use and real estate issues. Learn more at <http://washington.uli.org/TAPs>.

Matt Klein
Chair, ULI Washington
President, Akridge

Lisa W. Rother
Executive Director
ULI Washington

Bob Eisenberg
Chair, Technical Assistance Panel Committee
Principal, Heritage Property Company,
LLC

Deborah Kerson Bilek
Director of Community Outreach
ULI Washington

ULI Washington Panel and Project Staff

Panel Chair

Richard Perlmutter
Argo Development Company
Rockville, MD

Panelists

Bob Brosnan
Department of Community Planning
Arlington County, VA

Andrew K. Brown
Stanford Properties
Bethesda, MD

Mark Jinks
Deputy City Manager
Alexandria, VA

Christopher B. Leinberger
George Washington University
Washington, DC

Anita Morrison
Partners for Economic Solutions
Washington, D.C.

Stephanie Pankiewicz
LandDesign
Alexandria, VA

Laura Rydland
The Louis Berger Group
Washington, D.C.

Jamie Weinbaum
The JBG Companies
Washington, D.C.

Project Staff

Deborah Kerson Bilek
Director of Community Outreach
ULI Washington
Bethesda, MD

Acknowledgements

On behalf of the Urban Land Institute Washington District Council (ULI Washington), the Panel members and project staff would like to thank the Loudoun County Department of Planning for inviting ULI to explore the interesting and timely topic of development surrounding the future Silver Line Metro Stations. In particular, the Panel would like to thank Julie Pastor, Planning Director; Richard Klusek, Senior Planner and Project Manager for this Technical Assistance Panel, and Chris Torrible, who arranged logistics and hosting for the event. A special thanks also goes to Maggie Parker and the Comstock Companies for hosting the Panel on the TAP's first day at BLVD, a mixed-use Comstock development at the terminus of Metro's Silver Line Extension. Ms. Parker also graciously provided the cover image for this report, which was taken at BLVD, looking through the steel construction of the movie, office, and retail building at another multi-family building in the BLVD development.* The Panel also extends its gratitude to the Loudoun County Board of Supervisors for scheduling and attending a public presentation of the Panel's recommendations. Finally, ULI Washington is also grateful to Claudia Kousoulas, who attended the TAP and collaborated with staff to produce this final report.

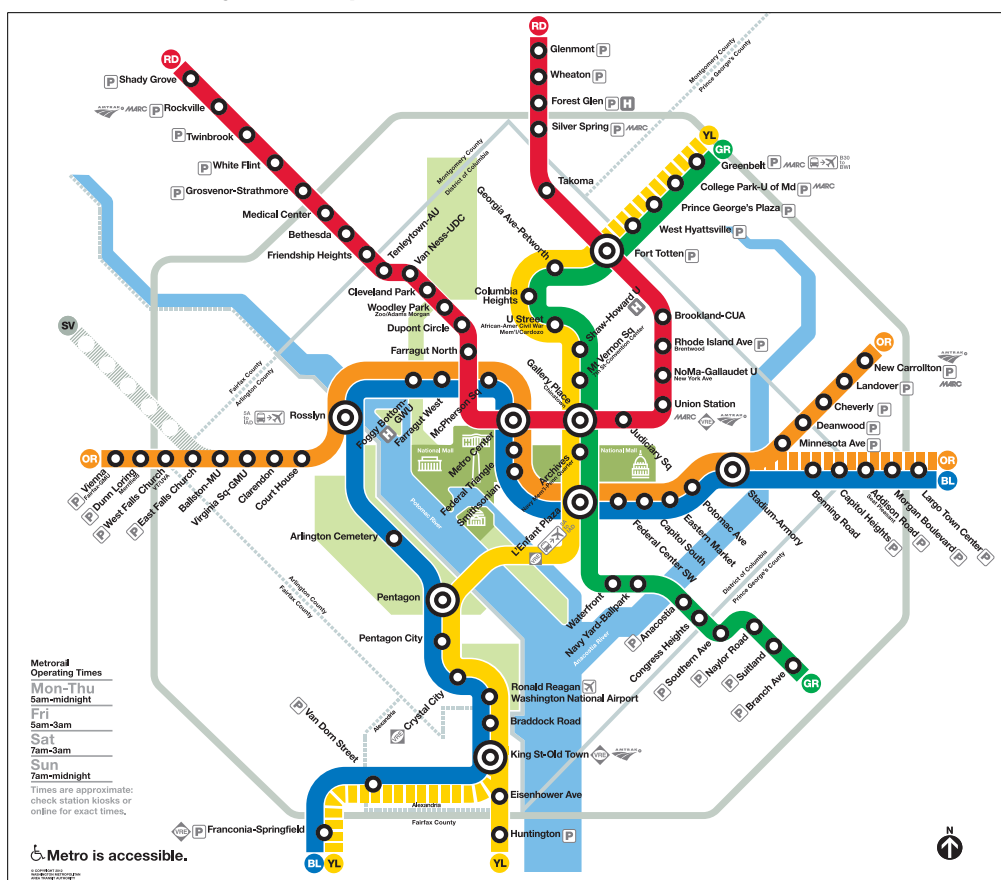
* Photo credit: davidmadisonphotography.com.

Foreword: Panel Assignment and Study Area Background

Panel Assignment

Loudoun County, Virginia has been planning in anticipation of Metrorail service for decades. Proposed station locations in the County and their surrounding land use have been addressed and included in County plans and policies for the past 30 years, with updates as planning and construction of the transit line has proceeded. As the extension of the Metrorail comes closer to a reality, these endeavors have become increasingly relevant and timely. The plans, policies, and designated funding surrounding the Silver Line extension – Metrorail’s new route that will connect the metropolitan core of Washington D.C. to Washington Dulles International Airport and to two additional stations in Loudoun County – represents the catalyzing force behind this TAP. Phase 2 of the Silver Line, which includes an extension of the line to the final two stations in Loudoun County, is scheduled to open in 2019, and Loudoun County is ambitiously analyzing its planning efforts to ensure that the opportunities associated with the arrival of Metrorail are maximized to the fullest extent.

WMATA Metro System Map, as of June 2014



The advent of Metrorail in Loudoun County presents significant economic opportunities.
Map source: <http://www.wmata.com/rail/maps/map.cfm>.

Loudoun County's intent in seeking the assistance of a ULI Technical Assistance Panel, or TAP, is to determine if the County's Revised General Plan provides a planned land use that strikes a desired and beneficial balance between the following four criteria:

- prompt realization of tax revenues to support future Metrorail operations;
- maximizing future employment generation;
- achieving the desired land use pattern; and
- minimizing demands on the County's transportation infrastructure.

More specifically, the County requested that the Panel examine the following topics and questions throughout the one and one-half day TAP:

Market Realities

- To what extent is Loudoun County positioned to capture new commercial growth that has not been previously considered?
- Given local and regional conditions, what is a reasonable timeframe to anticipate significant build-out of the Study Area?
- To what extent does the planned Metrorail service and proximity to Washington Dulles International Airport offer significant competitive advantages compared with other areas in the County?
- Do the existing plans, policies and regulations inadvertently constrain opportunities to capture a new mix of uses?
- What strategies can the County employ to achieve expeditious realization of tax revenue to support Metrorail operations?

Infrastructure

- To what extent does the planned infrastructure meet the needs of the future market demand?
- Are there unplanned capital facilities that the County should anticipate? If so, what strategies should the County implement to accommodate these facilities?

Transit-Oriented Development

- To what extent does the planned transportation network adequately and efficiently serve the planned land use?
- To what extent does the network and planned land use encourage use of Metrorail?
- To what extent does the network and planned land use encourage pedestrian and bicycle circulation?

Existing Land Use

- To what extent do existing land uses with the Study Area affect achievement of the overall vision for the Study Area?

Planned Land Use

- Is the County's planned land use realistic given projected market conditions, infrastructure availability, TOD efforts, and the existing land use pattern? If not, what are some strategies the County can implement to achieve the overall vision for the Study Area?

Study Area Background

History

Loudoun County is located 25 miles west of Washington, D.C., in the Metropolitan Washington Region. The County, which was settled between 1725 and 1730, is approximately 520 square miles and includes several incorporated towns and residential communities. For more than two centuries, agriculture was the dominant way of life in the County, which had a relatively constant population of about 20,000 people. The County's pasture and farmland began to change with the 1962 opening of Washington Dulles International Airport (Dulles Airport), which drew commerce and residential development to the area.

The east side of the County is developing rapidly as a result of its proximity to Dulles Airport and to Washington D.C., its location within the Metropolitan Washington Region, and to its zoning practices that shaped a traditional suburban land use pattern. In contrast, the west side of the County, bordered by the Blue Ridge Mountains to the west and the Potomac River to the north, maintains a rural and historical environment. The County's General Plan intended for this development pattern by focusing investment in the Loudoun's eastern portion, and by preserving rural and agricultural uses and character west of Leesburg. This overall land use pattern recognizes the value of Dulles Airport as an economic generator and the County's rural past as a unique and valuable asset. Overall, the County's economy continues to grow and is responsible for a considerable share of Northern Virginia's job growth over the past few years. Several major companies in the telecommunication, information, and airline fields are located in the County.

Loudoun County and the Metropolitan Washington Region



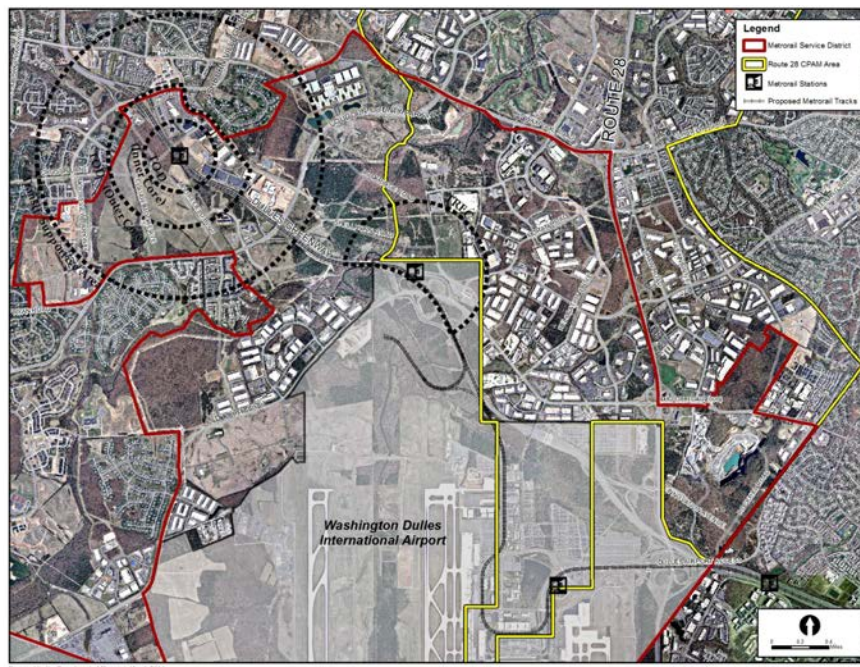
Loudoun County's regional location and proximity to Dulles Airport creates unique economic opportunities. Map source: Loudoun County.

The County's demographics tell an interesting story about its population base. According to the TAP briefing materials provided by Loudoun County planning staff, the 2013 population is estimated to be 340,112, and is expected to grow to more than 450,000 by 2040. The County has been ranked the 15th fastest growing county in the country between 2010 and 2013. Staff also informed the Panel that 79 percent of County households have children, and 57.5 percent of the population over the age of 25 hold a bachelors degree or higher. The median household income is \$117,876, one of the highest in America.

As with any major infrastructure project, the arrival of Metrorail to Loudoun County has the potential to catalyze immense change in the way people live, work, play, and travel to and within the County. Loudoun County has been a longtime supporter of the extension of Metrorail, and has established and implemented a series of programs to prepare for its anticipated arrival.

To address the anticipated growth, the Loudoun County Board of Supervisors developed several plans and policies that seek to balance land uses while also generating revenue needed to provide services to its residents. One of these initiatives is the establishment in 2012 of a Metrorail Service District to help fund construction of the future rail service. The Metrorail Service District, which served as the boundary for the TAP's Study Area, encompasses 641 parcels and 14,328 acres, including the Dulles Airport property, which is the largest property in the district. Of the stations that fall within the Metrorail Service District, two station areas served as the primary focus for this TAP: Route 606 Station and Route 772 Station.

TAP Study Area



The TAP Study Area includes two Metrorail stations and the surrounding properties. Map source: Loudoun County.

Route 606 Station

While this station is located on Dulles Airport property and therefore falls under the jurisdiction of the Metropolitan Washington Airports Authority (MWAA), the surrounding land to the north is under Loudoun County's jurisdiction. Portions of this land are currently used as a surface park-and-ride lot. This area is within the Ldn 65 Airport Impact Overlay, and its zoning prohibits residential land use. Land within a half-mile radius north of the Route 606 station area is designated as a Transit-Related Employment Center (TREC). This zoning designation encourages concentrated employment or special activity uses, with no residential component due to noise impacts.

The TREC designation recognizes the area's unique convergence of transit, proximity to Dulles Airport, and proximity to Washington, D.C., and allows up to 0.6 floor area ratio, or FAR, of non-residential development when road infrastructure is in place. A 1.0 FAR is allowed with bus service and up to 2.0 FAR with rail service. Any development must minimize environmental impacts and provide access to Metro, including pedestrian connections. The TREC also allows Special Activity Uses such as stadiums, conference facilities, and theme parks, along with their ancillary uses.

To date, there has been only one rezoning in the area, West Dulles Station, about 28 acres for a Planned Development-Industrial Park, with a proposal that calls for 485,760 square feet of flex and office uses as well as 1,895 parking spaces.

Route 772 Station

Land surrounding this station within a ½-mile radius is designated for Transit-Oriented Development, or TOD – a high density mix of residential, commercial, public, and employment uses in a compact development pattern with an urban feel of short blocks, pedestrian-oriented building facades, ground floor retail, and distinctive public spaces. The County's TOD policies in this area distinguish between an inner core (¼-mile radius) and outer core (½-mile radius) with land uses diminishing in intensity farther from the station.

Three development projects have been approved in this area – Loudoun Station, Moorefield Station, and Dulles Parkway Center – and are phased to increase density and add mixed uses as transportation services come online. Moorefield Station is the area's largest project, covering 582 acres with a 69-acre core, but together the three projects are approved for more than 8,000 dwelling units and more than 12 million square feet of non-residential uses. Initial residential portions of these projects have been built and occupied, following market demand.

Other Conditions

The Study Area's future development will be shaped by a number of other conditions. Of note, it is a significant crossroads of fiber optic cable providing superior high-speed voice, video, and data transmission that has prompted the construction of numerous data centers to serve business, government, and defense electronics users. These centers are prominent throughout the Study Area, but are not necessarily the highest and best use at a Metrorail station.

Data Centers and Fiber Optic Cable in the Study Area



Data centers, which exist throughout the TAP Study Area, bring in revenue, but are not the highest and best long-term land use for properties near Metrorail stations. Image source: Loudoun County.

In addition to the significant presence of data centers through the study area, the Airport Impact Overlay District surrounding the Route 606 Station poses development challenges by limiting building height and land use. The intent of this overlay district is to ensure compatibility between Airport operations and surrounding development. The County has also committed to opening three parking structures near the Route 606 Station.

The study area also faces some environmental challenges. Floodplains associated with the Broad Run and Horsepen Run pose developmental constraints, as do smaller areas consisting of forest and steep slopes.

Recommendations

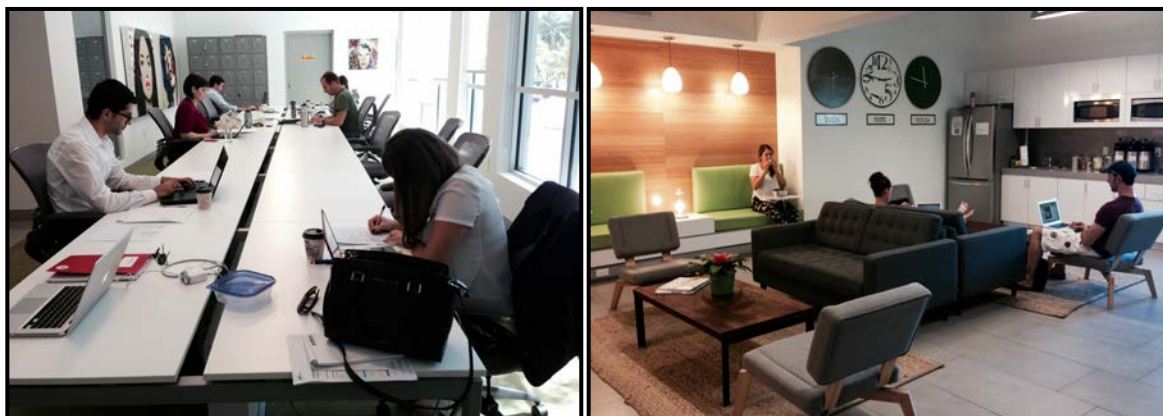
At the request of the Loudoun County Planning staff, the panelists examined a number of questions to produce a high-level “reality check” of the County’s adopted plans. The Panel’s recommendations were thematic, with the understanding the County is intending to identify opportunities for further analysis based on these initial recommendations. The Panel’s recommendations are detailed below.

Address Market Realities

Demand for office space is shrinking as work environments change. Increasing numbers of people are working in a “third place” such as coffee shops, in shared offices, or at home. Yet, many of the County’s plans focused on the potential for office development around the station areas. In 2011, Robert Charles Lesser & Co. (RCLCO) prepared a Market and Fiscal Impact Analysis for the County that favorably supported office development around these station areas. After reviewing this study and comparing its assumptions with current market trends, the Panel advised that office development should not be the central focus around the two stations. Instead, the Panel recommended an approach that broadly analyzes each station’s potential, taking a long-term view to ensure highest and best use of the land around the stations.

According to the panel, “keynote office” should be reconsidered and deemphasized in the County because traditional office space is evolving. The 2011 GSA Workplace Utilization and Allocation Benchmark suggests that the average office space per worker has declined from 225 square feet to 175 square feet, and is trending toward 150 square feet per worker. Market trends mirror this benchmark analysis. According to the Panel, private sector office brokers in the Metropolitan Washington Region have found that office tenants are taking 18 percent less square footage than ever before.

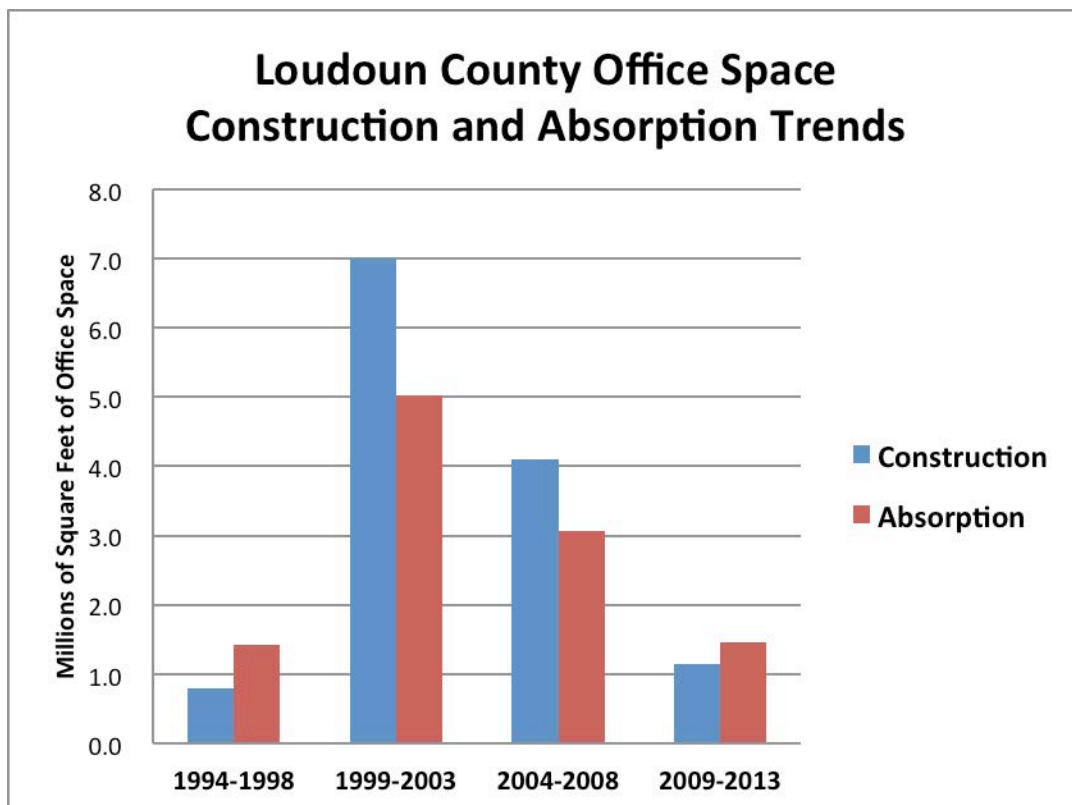
Alternative Work Spaces



Shared and alternative workspaces offer flexibility, contributing to nationwide shifts in the demand for office space. Image source: Claudia Kousoulas, on behalf of ULI Washington.

Other factors also contribute towards a shrinking demand for office space. The recent economic recession, federal budget cutbacks, and diminished expectations for federal government contracting illustrate just a few challenges. The investment market is also showing a strong preference for walkable urban office space, in large part because the younger workforce is demonstrating a predilection towards urban locations. In the Metropolitan Washington Region, there is a pent-up demand for these types of development, evidenced by the revitalization of many D.C. neighborhoods such as U Street and the Navy Yard, and the urbanization of suburban downtowns like those in Arlington, Virginia and Bethesda and Silver Spring, Maryland.

The Panel also analyzed office space construction and absorption trends for Loudoun County over the past ten years, and strongly encouraged the County to recognize the trend of decreasing absorption for office space construction. Last year, for example, office construction in Loudoun County outstripped absorption. More specifically, the Panel predicted that the future demand for office development would be between 10 and 14 million square feet, which represents less than two-thirds of the planned 19 million square feet countywide. Given all of these factors, the Panel advised that the County reconsider its plans for major office space development around these two stations.



A market shift away from office construction requires a reexamination of the County's plan for development around Metrorail stations. Source: ULI Washington TAP Presentation.

Welcome a Paradigm Shift: From Suburban Locations to Walkable Urban Places

According to the Panel, the region – and Loudoun County in particular – is witnessing a structural shift in development potential, and due to the County’s investment in Metrorail, could be uniquely poised to capitalize on this trend. In order to do so, the County will need to embrace a paradigm shift away from its traditional planning patterns.

Historically, after World War II, America built low-density, residential, suburban communities that were connected by cars and roads. In the last 15 years, however, the preferred development pattern has shifted towards more walkable, urban, mixed-use communities. This trend is evident in the relatively recent revitalization of the region’s transit-oriented neighborhoods like U Street in the District of Columbia, Arlington in Virginia, and Bethesda in Maryland. According to the Panel, new market demands expect a quality of place that consists of a mix of uses, including residential and retail, all within walking distance. Considering this trend, the Panel suggested that one of the future “big movers” for the region will be the redevelopment of greenfield locations and the transformation of drivable suburban areas into walkable urban places – such as in Tysons Corner, Virginia, or White Flint, Maryland.

Given the pent-up regional market demand for walkable urban places, the pending arrival of Metro, and the fact that only two percent of the built environment is added on average each year, these trends are expected to continue for at least 20 to 30 years. Therefore, the Panel embraced the redevelopment potential for Loudoun County Metro stations for mixed-use walkable urban development. The Panel recommended that Loudoun County consider and welcome this paradigm shift away from its traditional suburban development pattern, and towards creating walkable urban places near its Metro stations. Due to a variety of constraints – among them the timeframe required for effective planning and development, as well as preexisting County zoning ordinances –

the Panel suggested that Loudoun County prioritize planning for the area around the Route 772 Station before focusing on the area around Route 606 Station.

A Look Into Our Future

Walkable Urban Places are mixed-use development clusters that represent the **future of the market**. There are 45 such places in the Metropolitan Washington Region. Combined, they cover 17,500 acres, and account for one percent of metropolitan area acreage, 55 percent of office square footage, and 80 percent of current office absorption. All of these places are mixed use and include a significant component of housing, ranging from 6 to 56 percent of total land uses.

Source: <http://business.gwu.edu/Walkup.pdf>.

Walkable urban places have proven to be economically powerful. According to the Panel, Reston Town Center in Virginia is the first greenfield urban community in our generation and enjoys a 60 percent price premium on a cost-per-square-foot basis over properties in other parts of Reston. Arlington County, Virginia offers the best model of an urbanized suburban community in the country, and also enjoys a substantial price premium over drivable suburban locations. The single-family houses adjacent to walkable urban places are the County’s most expensive, in large part

because they combine the benefits of suburban and urban living within walking distance. In essence, the major beneficiaries of walkable urbanism are the surrounding single-family subdivisions. Further, while Arlington's walkable urban places make up only 11 percent of the County's land area, they generate 55 percent of its tax base.

The Panel acknowledged that there may be some concerns associated with adding significant density to the area, and suggested that with distinct boundaries and place management, issues like noise and cut-through traffic can be managed. This has been the experience of other suburban walkable urban places, such as Arlington, Virginia, and Bethesda, Maryland. Furthermore, adding density and diversity through creating walkable urban places has been proven to increase the quality of life for surrounding neighbors. Continuing to build drivable suburban communities, on the other hand, contributes to a decreased quality of life, because land is developed in a manner that generates more traffic and congestion, less open space, fewer farms, and more pollution.

Adding walkable urbanism to the County does not replace or destroy the current assets. On the contrary, the County could enhance the agricultural and suburban lifestyle for which it is known by directing future growth into less than one percent of the County's landmass. New walkable urban places have a variety of benefits, including adding options to residents who want to downsize without leaving the County, providing options for the children raised in the County without going to the "city," giving residents additional entertainment options close to home, and adding additional tax revenues without increasing public sector costs proportionally – which has been the experience of Arlington County.



Arlington is an example of one of the region's most successful walkable urban locations. Source: LOCUS: Responsible Real-Estate Developers and Investors.

Metrorail has served as the catalyzing force that prompted many of the region's walkable urban places, but according to the Panel, each of these places have evolved over a long period of time – sometimes taking as long as 30 or 40 years to achieve full development. Arlington's success as a walkable urban community showcases its planning and development over several decades. Planning for Arlington began in the 1960s, with land use alternatives developed in the 1970s, land use plans for Ballston and Clarendon created in the 1980s, and plan refinements, including urban design guidelines delivered in the 1990s. A development surge in 2000 prompted the most recent 2006 plan. Development in Bethesda has followed a similar arc, with plans and policies adapting to market demands and opportunities over the past 40 years.

Given that much of the land around the station areas is undeveloped, the Panel strongly recommended that Loudoun County be prepared to create a long-term vision that for developing urban walkable communities around the station areas. The County should recognize that it may

likely take several decades to achieve its desired development goals. In considering how to create these places, the County should take the long-term view, and monitor and adjust for changing market trends. Markets move at different rates, so the County must allow developers to respond to changing market demand, while also maintaining focus on moving forward to achieve the desired development pattern.

Develop Small Area Plans

The Panel reviewed the County's Comprehensive Plan, and determined that it is out-of-date with current market conditions and building products. Consequently, the Panel advised the County to reconsider its traditional planning approach and focus time and resources on conducting a broad visioning effort. Once this visioning effort is complete, the Panel recommended that the County develop small area plans for both Metro station areas. The Panel emphasized that integrated planning is essential to achieving a successful destination environment, and requires close attention to design details, including the relationship of buildings to streets, land use balances, particulars of building types, and ways to create walkability. Each recommended small area plan should strive to create a cohesive place, and should be used to set a template for the future.



Small area plans outline transportation, public space, and development patterns to create a desired place.
Source: Arlington County.

In developing small area plans, the Panel advised that the County create three-dimensional maps using color and pictures, which will establish clear expectations for both public and private investment and for residents. Such plans could also be used as a marketing tool, according to the Panel. County staff should strategically consider the land use, public spaces, and transportation patterns defined in these plans. The Panel also advised that the County refrain from simply approving projects that are adjacent to each other without considering the overall plan and the greater context for such projects. Furthermore, the Panel emphasized that small area plans should include a coordinated transportation map that outlines local and regional roads along with transit, pedestrian, and bicycle routes and connections. A small area plan could also include such elements as urban design structure, edge conditions and treatments, and define the desired character nuances at Metrorail stations, away from stations, and between stations.

The Panel emphasized that the County would be wise to maximize the amount of developable, tax-generating, walkable urban land near these two stations. This land will prove to provide the highest

fiscal benefits to the County in the future. Most – though not all – walkable urban development in the County will be in these station areas – even though these areas represent a small fraction of the County landmass.

Use of 3-Dimensional Images in Small Area Plans



Small Area Plans, such as this one for Clarendon in Virginia, can be characterized by their use of color and three-dimensional perspective. These plans illustrate the relationship between uses and set a common vision. Source: Arlington County.

Coordinate and Support Transportation and Infrastructure Investments

One important component of a small area plan is a complete map of the transportation network. Accordingly, the Panel strongly recommended that all relevant owners and agencies – local, regional, and state – collaborate to create a comprehensive map of the transportation facilities that are both in place and needed to accommodate future growth and development. Such an exercise will result in identifying and articulating expectations for both public and private investment. The Panel advised that a coordinated transportation network map should include information about the character of the streets that compose the network – including pedestrian and bicycle facilities. A complete transportation network map will also identify gaps and help align transportation investment with the overall vision for the area.

Throughout this exercise, the Panel advised the County to consider and plan for the specific kinds of facilities that would be needed to complement the desired development pattern. Complete streets – those that safely and adequately accommodate motorized and non-motorized users in a manner appropriate to the function and context of the facility – are a critical component of creating a defined place.¹ The Panel urged the County to consider and plan for pedestrian and bicycle accessibility to the station areas, and recommended that the County review the results of the forthcoming study sponsored by the National Capital Region Transportation Planning Board's Transportation/ Land-Use Connections Program titled, "Enhancing Bicycle/Pedestrian Connectivity Around Future Metro Stations." This technical assistance study, which is due as a final report in summer 2014, seeks to identify missing and deficient bicycle and pedestrian facilities around both the Route 606 and Route 772 station areas. The study will develop a list of priority bicycle and pedestrian facilities within a three-mile radius of the future stations to enhance multimodal connections to key local and regional facilities.²



A complete map of the existing and proposed transportation network – such as this mock-up, which was drawn during the TAP– helps identify gaps. Source: ULI Washington.

Parking needs should also be addressed as part of this comprehensive network map. The Panel advised the County to refrain from locating parking structures on the most valuable land at the stations. Instead, the Panel recommended a phased approach, where the land closest to the stations could be developed as surface lots that can be easily transformed to tax-generating private development that meets the evolving needs of these places over time. Parking decks should be available for many different uses. In addition to accommodating traditional commuters, parking should be used in the evening and on weekends for restaurants and movie theater patrons, and for apartment and condominium users overnight. The Panel emphasized that the costs of these structures are too great; failing to maximize the use of these parking assets would be detrimental.

Overall, the Panel emphasized that infrastructure investment contributes to defining a place and establishes expectations. The County should use public investment from various sources (some of which could potentially be recaptured through proffers) to fill in road gaps and assist in creating sense of a place. Infrastructure investments should also incentivize the highest and best uses closest to the Metro stations.

¹ For more on Complete Streets, including information on the Complete Streets Policy for the National Capital Region, which was adopted by the Metropolitan Washington Council of Governments on May 16, 2012, visit: <http://www.mwcog.org/uploads/committee-documents/mV1dXI9e20120510092939.pdf>.

² For more information, visit: <http://www.mwcog.org/transportation/activities/tlc/program/projects.asp#Loudoun>.

Do Not Fear Multi-Family Housing

There is a myth that building multi-family housing in walkable urban places will result in overwhelming the public schools with children. This myth is particularly a concern regarding rental multi-family housing. The experience in Arlington County is exactly the opposite of this mythical fear. In 1980, the future walkable urban places in Arlington, which occupies 11 percent of the County landmass, were primarily along Wilson Boulevard to the west of Rosslyn (or the RB Corridor) and along Jefferson Davis Boulevard. This 11 percent of the County land generated 20 percent of the tax revenues, as strip commercial development along these corridors were becoming obsolete – just as strip commercial development is projected to do in outer suburban locations over the next generation.

Today, the now-walkable urban 11 percent of Arlington County generates 55 percent of the County's tax revenues. The majority of the growth has been rental and for-sale multi-family housing. The school generation rate per household from the walkable urban places have been 1/13th the rate of the single-family for-sale housing in the County (in other words, single family neighborhoods generate 13 times the children per household as multi-family households in walkable urban places). Overall, the majority of growth in Arlington County for the past 30 years has been multi-family housing – both rental and for-sale – and these housing units have been paying school taxes, but sending students to the public schools at only eight percent of the rate that the single-family for-sale housing has been generating students. The multi-family housing has been subsidizing the public schools, which is one reason that Arlington County schools are among the best in the Commonwealth of Virginia.

Flexibility in Zoning

The Panel emphasized that mixed-use places are the market future, and cautioned that Loudoun County's plans and policies should avoid creating a "monoculture" land use pattern. Communities with walkable urban places have found that the cost of residential services can be offset with the revenue generated by retail and restaurant uses. A monoculture of residential or commercial uses cannot serve the entire community, and will fail to attract the ever-desirable 18-35 "millennial" demographic, which is looking for an urban-feel environment that offers a mix of housing and lifestyle options. Zoning flexibility will be necessary to achieve this desired mixed-use.

Floor Area Ratio vs. Dwelling Units per Acre

Floor area ratio, or FAR, the **ratio of allowable building area to lot size**, is a fundamental dimensional standard of a zoning code. It **determines potential development and value**. The FAR can also be distributed to create a pattern, orienting bulk and density along major arterials and becoming less intense along smaller, residential streets. **Dwelling units per acre**, or DU, by contrast, **measure impact**, such as the number of residents will require services.

The Panel cautioned that market demand often shifts in unanticipated ways. Phasing, the ability to shift uses, and a faster process (that is, quicker than the current two to three years) will allow projects to respond to market demand. The County currently uses the standard of dwelling units per acre, or DU, which is limited because it cannot accommodate some market realities, such as smaller dwelling units in residential projects or a mix of uses. Using floor area ratio, or FAR, to measure residential and commercial density can help create a more predictable form and will help shape the station areas without encouraging developers to simply build the most number of units possible. Within the FAR limits, the Panel recommended that the County allow developers to move between land uses to respond to changing market demands.

In addition, because the trend towards walkable urban development is only 15 years old, it is not universally understood what the optimal mix of office, retail, rental housing, hotel, and for-sale housing should be. This reinforces that plans should allow flexibility to respond to market demands. Since housing represents about 60 percent of the square footage in real estate, the Panel emphasized that there should be ample allowance for residential development – both rental and for-sale – at the station areas.

Focus Resources Strategically

The Panel acknowledged that its recommendations calling for a detailed planning process would require considerable staff time and resources. The County should therefore provide designated staff that is solely responsible for monitoring planning and development to ensure that Loudoun County reaches its goals. The Panel also recommended that the County consider hiring new staff who will be charged with developing the recommended small area plans and managing the County's relationships with developers. As an example, in Montgomery County, a new position was created in the Office of the County Executive to manage the development process in the White Flint area. This position creates a single point of contact for the complex County planning process. This employee has a clear understanding of the vision of the area and the complicated interactions between the public and private sector that are required to implement a complex and nontraditional type of development. Over the long term, the investment in this staff person will be paid back many times through the increased tax revenue that will be realized from the new development.

The Panel further recommended that the County consider establishing a Business Improvement District, or BID, and/or partner with other stakeholder organizations that will support placemaking and management, and take responsibility for operating the newly created places. As part of this arrangement, the Panel suggested that there be a place manager for each of the station areas, and that the property owners would assume the operating costs for the place manager. While the County would continue to provide required public services (such as public safety), the private sector place manager would supplement these services and add many more (such as festival management) over time.

Case Study: Capital Riverfront BID

The Navy Yard is one of the District of Columbia's oldest neighborhoods. Over time, businesses and residents moved on, and the Navy Yard lost its community identity. Beginning in 2000, the District's Anacostia Waterfront Initiative sought to define a new future for this waterfront area. With a broad scope and detailed planning, and with coordinated public and private investment, the Capital Riverfront has become a redeveloped and attractive neighborhood, which is overseen by the Capital Riverfront Business Improvement District. The BID undertakes cleaning and maintenance, safety and hospitality, marketing and special events, economic development, and coordination and advocacy for public improvements to continue building a community. To learn more, visit: <http://www.capitolriverfront.org/>.

Create a Loudoun Place and Brand

Creating a place goes beyond the physical character and function, and entails communicating a perception. Part of creating a place involves branding the destination. As with the Navy Yard, the NoMa neighborhood in the District of Columbia – so named because it lies **North of Massachusetts Avenue** – has become a defined place and destination. The combined efforts of private developers, the District government, and the NoMa BID have created amenities and programming, and have coordinated public and private investment to create value for all involved. One important catalyst for this development was the shared public and private investment in a new infill Metro stop for the area, which opened in 2004.³ This same opportunity exists for Loudoun's future Metrorail stations.

To capitalize on this opportunity, the Panel advised that the County prioritize adjusting the way the public perceives the Route 606 and 772 stations by renaming each of them in a way that reflects their unique character.⁴ The result of this renaming would be a slow but certain paradigm shift – away from obscure numbers that mean little to those inside and outside the County, and towards embracing the potential of the future station areas. This paradigm shift would, in turn, foster a new identity for the areas around the stations. The metro station that helped catalyze the NoMa neighborhood is now named the NoMa-Gallaudet station.⁵

³ <http://www.nbcwashington.com/news/local/NoMa-New-York-Avenue-Metro-Station.html>

⁴ The Panel acknowledged naming Metro Stations may fall outside the County's jurisdiction, but compelled the County to influence the naming process as much as possible. The Panel made suggestions for station names in their recommendations, but acknowledged that these specific names could be altered based on the County's desire to create a different identity for its station areas.

⁵ This metro station was formerly named "New York Ave-Florida Ave-Gallaudet U stop," but was renamed in 2011 to be consistent with a WMATA policy to have a well-known primary name for each metro station that is not longer than 19 characters. Placemaking, creating neighborhood identity, and drawing riders to NoMa was part of the renaming strategy. (http://www.washingtonpost.com/local/in-renamed-metro-stop-noma-hopes-for-hipper-identity/2011/11/03/gIQA03RvjM_story.html).

Dulles Center International Station

The Dulles Center International, or the DCI Station, is the Panel's proposed name for the Route 606 Station. Given that the DCI Station is just minutes away from the airport, the Panel suggested that the area near the station be developed into a convention space along with mixed uses as a way to attract both national and international audiences who may enter the region via Dulles Airport. This recommendation is rooted in a unique opportunity defined by the preexisting constraint on area residential development because of the noise from the airport, combined with the Panel's vision that the Silver Line terminus be the County's primary focal point for mixed-use and transit-oriented development. The Panel likened this recommendation to the recent development of a convention center at National Harbor in Maryland, though the Panel acknowledged that a convention center at the DCI station may not share the scale with the one in National Harbor, and would likely serve a smaller market.

Gaylord National Resort and Convention Center, National Harbor



The DCI Station at Route 606 is just minutes from Dulles Airport, potentially connecting it to an international market. This, combined with the existing TREC designation, caused the Panel to recommend development of a convention center space around the station. Image source: <https://www.eventbrite.com/e/namc-45th-national-conference-a-legacy-celebration-new-roads-to-excellence-tickets-10395680761>.

Blue Ridge Gateway Station

The Panel suggested renaming the Route 772 Silver Line terminus as the Blue Ridge Gateway Station. This station would connect riders from throughout the Metropolitan Washington Region to the unique and agrarian experience of Loudoun County, including access to more than 35 wineries, historic properties, quaint bed and breakfasts, and the rural landscape. The Panel envisioned a wealth of opportunity for this gateway station – including the potential for Loudoun to boost its tourism economy by serving as a springboard destination for Washington-area wine connoisseurs. By positioning the Silver Line terminus as a gateway to greater Loudoun County, the Metrorail can serve not only commuters, but also leisure riders who are drawn to Loudoun’s unique assets.

Branding the Blue Ridge Gateway Station



With strategic branding and careful attention to creating distinct destinations, Loudoun County can offer the region and its residents the best of both worlds—urban and rural. Image sources: <http://www.loudounfarms.org/index.aspx?NID=134> (left); <http://georgesmill.com/> (right).

Conclusion and Next Steps

Loudoun County is at a key junction in time as its historic agricultural roots come face-to-face with state-of-the-art infrastructure investment. As plans for the Silver Line's extension to Loudoun County continue to materialize, opportunities for the County to connect to the Metropolitan Washington Region and to realize its development potential will become a timely reality.

Taken together, the TAP's recommendations cultivate an approach that encourages close and careful study of the final two station areas along the Silver Line to determine each one's particular opportunities. The Panel recommended developing a distinct and detailed character for each station through visioning, small area planning, branding and marketing, and the creation of a place. Through these efforts, the County can help communicate expected change to residents and manage expectations for both public and private sector investment. Accomplishing this will require zoning flexibility and consideration of market forces to determine which uses are most suited for the station areas over the interim- and long-term.

The Panel understands that the County intends to use these recommendations as a means to identify areas for further analysis. Some suggestions for deeper study could include any of the following:

- Conduct best practices research for such topics as (1) developing greenfields into walkable urban places; (2) development surrounding airports; (3) zoning codes that foster walkable urban places; (4) successful development of a complete transportation network map; and (5) the formation and impact of Business Improvement Districts on newly created places.
- Conduct a broad visioning effort that includes property owners, community members, public agencies, and other stakeholders to articulate and refine the shared goals for planning and development around the station areas.
- Develop small area plans for the station areas, focusing primarily on the Blue Ridge Gateway Station, and secondarily on the Dulles Center International Station.
- Analyze existing staff capacity and compare with the future capacity needs in order to anticipate new hiring needs, and to appropriately allocate planning resources and staff time.
- Conduct a market study and best practices research on successful ways to brand newly developed walkable urban station areas.

The Panel congratulates the County on investing in the Metrorail, but emphasized throughout the TAP that the goal of investing in Metrorail should *not* be to move people. Rather, the goal of investing in Metrorail should be economic development and enhancing the overall quality of life for residents – the *means* of which is moving people. The underpinning goals for station area planning should be the enhancement of the quality of life, and the economic development potential – which generates tax revenue – of the small amount of land surrounding the two stations.

Through strategic visioning, embracing a paradigm shift in development towards walkable urbanism, and careful coordination, the Panel is confident that Loudoun County can maximize forthcoming development opportunities and create a lively and dynamic destination while maintaining the agricultural and suburban assets that residents of the County love today.

About the Panel

Richard Perlumtter, Chair

Argo Development Company

Mr. Perlmutter is a principal and co-founder of Argo Development Company in 1996. The firm is based in Rockville, Maryland and has expertise in developing retail, office, residential, and urban mixed-use projects. Since its inception, Argo has acquired or developed over three million square feet of commercial and residential space in the Washington, New York, and Boston metropolitan areas. Over Mr. Perlmutter's professional career, he has developed and managed property valued at over \$2 billion. The firm is strategically aligned with the Foulger-Pratt Companies and develops and acquires real estate primarily for its own account.

Prior to founding Argo, Mr. Perlmutter was a senior vice president of South Charles Realty and South Charles Investment, both subsidiaries of Bank of America. He was responsible for over 500 transactions totaling over \$1.5 billion of real estate. Among his major projects, he was responsible for several master-planned communities and extensive office projects throughout the mid-Atlantic and Southeastern United States. His expertise ranges from financial engineering to multi-phase project management. Mr. Perlmutter has experience working as a lawyer for the United States Senate and real estate developer for several small and large real estate companies. He is active in community and professional affairs. He is a trustee of the Urban Land Institute, governor of the Urban Land Institute Foundation, chair of mission advancement of the Urban Land Institute-Washington District Council, board member of the Robert H. Smith School of Business of the University of Maryland, board member of USA Canoe/Kayak, and board member of Carl M. Freeman Associates. He also is a member of the District of Columbia Bar.

Mr. Perlmutter has a B.A. in Environmental Design from the State University of New York at Buffalo, graduate study at the University of California, Los Angeles and a J.D. from the School of Law, University of Oregon.

Bob Brosnan

Arlington Department of Community Planning

Mr. Brosnan has been the Planning Director for Arlington County, Virginia since 1988 and has worked in Arlington since 1977. He recently was appointed the Director of the Department of Community Planning, Housing and Development. Arlington County is recognized both nationally and internationally as one of the most successful examples of integrating transit with development. The Planning Division is responsible for guiding and regulating Arlington's short and long-range development by working with the community to develop plans, analyze development and rezoning requests in the light of those plans, provide zoning and code enforcement activities, and review and issue permits for construction of residential and commercial development. In his capacity as the Director of the Department of Community Planning, Housing and Development, Mr. Brosnan is also responsible for Housing, Building Permitting and Inspection, Zoning and Neighborhood Planning.

Mr. Brosnan has served on several ULI TAPs, including Wheaton Metro Station Area Plan and the College Park Metro Station Plan, and has been an active participant in the Metropolitan Washington Council of Governments Region Forward Coalition. He has also represented the State Department in trip to South Korea, India and Bangladesh to talk about smart growth and sustainability. Mr. Brosnan received a Master's of City and Regional Planning from Catholic University and a BA in Business Administration; Management from Georgetown University.

Andrew K. Brown

Stanford Properties

Mr. Brown directs all activities of Stanford Properties, LC, a real estate investment and development company based in Bethesda, Maryland. Mr. Brown has acquired and developed over twenty-five residential and commercial projects with an aggregate value in excess of \$250 million since the company's founding in 1992. His recent projects include conversion of an underperforming retail big-box center into a high density residential condominium project; development of a traditional grocery anchored retail center; and development of a 50-acre mixed-use residential and retail town center. Mr. Brown directs site selection, acquisition, governmental entitlements, financing, construction, leasing and ongoing asset management of completed projects. Prior to founding Stanford Properties, Mr. Brown was the Director of Retail Development for Baier Properties, Inc. where he oversaw development of numerous retail and residential land development projects, and prior to that held positions in acquisition and project management with two Washington-based real estate firms.

Mr. Brown received his B.A. in Economics from Stanford University in 1983. He is an active member of the Urban Land Institute where he is an Officer of the Washington District Council's Advisory Board.

Mark Jinks

City of Alexandria

Mr. Jinks is a Deputy City Manager for the City of Alexandria, Virginia. He is responsible for overseeing and facilitating the City's land use planning, zoning, historic preservation, transportation, environmental protection, infrastructure construction management, code administration, affordable housing and museum functions. His responsibilities cover the areas of economic development, project finance and private real estate development. Mr. Jinks previously served for ten years as the City of Alexandria's chief financial officer, and prior to that served for ten years as the Director of Management and Finance for Arlington County. For Arlington County, Mr. Jinks also served as Budget Director.

Mr. Jinks has served as the chair of the Alexandria-Arlington Waste-to-Energy facility board, and on the boards of public pension funds for both Arlington County and the City of Alexandria. Mr. Jinks has served as a member the Washington Metropolitan Area Transit Authority Joint Development Task Force, and the Client Advisory Board for Prudential Retirement. He has served as an economic development and financial management consultant to the cities of Warsaw and Krakow, Poland. Mr. Jinks holds a BA and an MPA from The Pennsylvania State University.

Christopher B. Leinberger

Charles Bendit Distinguished Scholar and Research Professor of Urban Real Estate
Chair, Center for Real Estate and Urban Analysis, George Washington University School
of Business

Mr. Leinberger is a land use strategist, teacher, developer, researcher and author, balancing business realities with social and environmental concerns. In addition to his GWU affiliation, Mr. Leinberger is President of Locus, Responsible Real Estate Developers and Investors; a Nonresident Senior Fellow at Brookings Institution in Washington D.C.; and a Founding Partner of Arcadia Land Company, a New Urbanism and transit-oriented development firm. Mr. Leinberger's most recent book is *The Option of Urbanism, Investing in a New American Dream*. He is the author of *Strategic Planning for Real Estate Companies* and has contributed chapters to 12 other books. He is an Op-Ed Contributor to the *The New York Times*, writes regularly for *The Atlantic Monthly* and numerous other magazines. CNN, National Public Radio, Atlantic Cities Channel, the Washington Post, among others, have profiled him. Mr. Leinberger is a graduate of Swarthmore College and the Harvard Business School and lives in Dupont Circle in Washington, D.C.

Anita Morrison

Partners for Economic Solutions

With more than 35 years in development consulting, including the last five years as Founding Principal of Partners for Economic Solutions, Ms. Morrison has specialized in public/private partnerships, real estate advisory services, redevelopment strategies and economic impact analysis. Her work with major transit-oriented development (TOD) spans three decades, including analysis of alternative corridors for extension of Washington's transit network, the economic and fiscal impacts of Metro's Green Line, the economics of developing major downtown and neighborhood transit stations, market and financial feasibility of TOD at commuter rail stations, and potentials for inter-modal transit stations. She has been involved in a wide variety of TOD feasibility analyses and development strategies for station area and corridor plans for the District of Columbia, WMATA, Prince George's County, Arlington County, the Northern Virginia Transportation Commission and the State of Maryland.

Ms. Morrison worked with the Maryland Department of Transportation in structuring the public/private partnership for redevelopment of Baltimore's State Center. This major transit-oriented development will replace a dated and sterile single-purpose office district with a \$500 million, 3.7 million square-foot mixed-use development that incorporates State and private office space; retail and entertainment facilities; market-rate, workforce and affordable housing; and extensive new public open space and streetscaping.

Stephanie Pankiewicz

LandDesign

Ms. Pankiewicz is a Partner and Landscape Architect at LandDesign based in Alexandria, VA. As a professional landscape architect and dedicated community advocate for greenways, complete streets and green infrastructure, Stephanie is focused on integrating economically viable and environmentally sustainable community and site design through all of the projects on which she participates. Her current work includes several large-scale mixed-use urban design/landscaping architecture projects in the D.C. Metropolitan Area. Ms. Pankiewicz also has led many public planning projects with a community participation process, including an extensive community involvement process for the City of Asheville's signature River Arts district multi-modal transportation project which consists of complex NEPA, State, and federal agency submittal and review requirements balanced with other design factors.

Ms. Pankiewicz earned a Bachelor of Landscape Architecture from the University of Georgia with honors and is a registered landscape architect in North Carolina, South Carolina, Georgia, Tennessee and California. She is also a member of several professional organizations, including the American Society of Landscape Architects and the Urban Land Institute.

Laura Rydland

The Louis Berger Group

Ms. Rydland is an urban planner specializing in land use and multi-modal transportation planning with experience in transportation analysis, urban design, master planning, community engagement, mapping, research, event planning, and architecture. Ms. Rydland's current work includes leading the development of multiple transportation management programs for naval installations in the D.C. area, conducting transportation research and analysis, writing transportation sections of environmental studies and transportation reports, conducting interviews of personnel for best practices reports and planning documents, and supporting visioning and planning projects involving multiple stakeholders or advisory committees. Her prior experience includes the development of master plans for planned communities and mixed-use area developments, site planning and design work for many Transit Oriented Development (TOD) projects, planning and schematic design of redevelopment projects, and development of design guidelines for urbanizing suburban areas.

Jamie Weinbaum

The JBG Companies

Mr. Weinbaum is a Development Manager at The JBG Companies, where he focuses on mixed-use, transit-oriented residential/retail projects throughout the Washington region. Mr. Weinbaum currently leads the development of Twinbrook Station, a public/ private partnership with WMATA to develop 26 acres of surface parking lots around the Twinbrook Metro Station. He also leads the development of Fort Totten Square, a TOD project in Northeast D.C. that will include 345 market rate apartments, over 130,000 square feet of retail, and will be anchored by an urban-format Walmart.

Prior to joining JBG, Mr. Weinbaum served as the Director of the District of Columbia Office of Zoning from August 2009 until August 2011. He led the independent office in providing professional support to the Zoning Commission and the Board of Zoning Adjustment. Prior to his appointment as Director by the Zoning Commission, Mr. Weinbaum worked in the D.C. Office of the Deputy Mayor for Planning and Economic Development, where he focused on large-scale infrastructure, parks and transportation projects. He also served as a liaison to several Business Improvement Districts and supported the District's business attraction and retention initiatives. Before his employment with the District of Columbia government, Mr. Weinbaum spent time in the private sector as a developer and investor, as well as in private practice as a contracts and construction attorney. Mr. Weinbaum received an undergraduate degree from Wake Forest University and a law degree from The George Washington University School of Law.